

SOCIALISM, CAPITALISM, AND THE BIBLE

By Ronald H. Nash

Editor's Preview: Was Jesus, blessing the poor in spirit, a political revolutionary as some in Latin America argue? Was Noah, the just man, an early welfare liberal as the Christian Left in this country would have it?

On the contrary, says Ronald Nash in this presentation to a Center for Constructive Alternatives seminar, an accurate reading of the Bible bolsters the case for free markets, individual rights, and limited government.

Dr. Nash has been a professor of philosophy and religion at Western Kentucky University since 1966, and is the author of 12 books including *Social Justice and the Christian Church*. Here he explains why social justice and biblical ethics are best served by capitalism, while the inherently coercive nature of socialism ultimately begets a new secular religion denying man's link to God.

Within the Christian church today, one can find a small but growing army of Protestants and Roman Catholics who have entered into an uncritical alliance with the political Left. The so-called liberation theologians not only promote a synthesis of Marxism and Christianity, but attempt to ground their recommended restrictions of economic and political freedom on their interpretation of the biblical ethic. A growing number of my own religious fellowship (those theologically conservative Protestants known as evangelicals) appear to stop just short of the more radical pronouncements of the liberation thinkers. These evangelicals of the Left are convinced that the biblical ethic obliges them to condemn capitalism and endorse the politics of statism and the economics of socialism.

Many writings from the Christian Left illustrate what can be called the proof-text method. What these writers normally do is isolate some vague passage (usually one from the Old Testament) that pertains to an extinct culture situation or practice. They then proceed to deduce some complex economic or political program from that text.

My approach to the subject rejects the proof-text method and proceeds via three main steps. First, a Chris-



tian should acquire a clear and complete picture of the Christian world-view. What basic views about God, humankind, morality, and society are taught or implied by Scripture? Second, he should put his best effort into discovering the truth about economic and political systems. He should try to clarify what capitalism and socialism really are (not what the propagandists say they are); he should try to discover how each system works or, as in the case of socialism, whether it can work. He should identify the strengths and weaknesses of each system. Third, he should compare his economic options to the standard of biblical morality, and ask which system is more consistent with the entire Christian world-view.

Creator and Freedom; Morality and Sin

We can begin, then, by noting several relevant aspects of the biblical world-view:

(1) Certainly the biblical world-view implies that since God is the creator of all that exists, He ultimately is the rightful owner of all that exists. Whatever possessions a

human being may acquire, he holds them temporarily as a steward of God and is ultimately accountable to God for how he uses them. However omnipresent greed and avarice may be in the human race, they are clearly incompatible with the moral demands of the biblical world-view.

(2) The biblical world-view also contains important claims about human rights and liberties. All human beings have certain natural rights inherent in their created nature and have certain moral obligations to respect the rights of others. The possibility of human freedom is not a gift of government but a gift from God.

The Old Testament tended to focus on the economic and social dimensions of freedom. But gradually, as one moves into the New Testament, a more spiritual dimension of freedom assumes dominance. Freedom in the New Testament is deliverance from bondage to sin and is available only to those who come to know God's truth through Christ and enter into a saving relationship with Christ.

Some interesting parallels between the biblical account of spiritual freedom and political-economic freedom should be noted. For one thing, freedom always has God as its ultimate ground. For another, freedom must always exist in relationship to law. The moral law of God identifies definite limits beyond which human freedom under God should not pass. Liberty should never be turned into license.

(3) The moral system of the Bible is another key element of the Christian world-view. While the Ten Commandments do not constitute the entire biblical ethic, they are a good place to begin. But it is important to notice other dimensions of the biblical ethic that have relevance for our subject. For example, Christians on the Left insist that the biblical ethic condemns individual actions and social structures that oppress people, harm people and favor some at the expense of others. I agree. Where I disagree, however, is with the next step taken by the Leftists. They claim that capitalism inevitably and necessarily encourages individual actions and produces social structures that oppress and harm people. On this point, they are dead wrong. Fortunately, the question as to which system actually harms or helps different classes of people is an empirical and not a normative matter. The Leftists simply have their facts wrong.

(4) One final aspect of the Christian world-view must be mentioned: the inescapable fact of human sin and depravity. No economic or political system that assumes the essential goodness of human nature or holds out the dream of a perfect earthly society can possibly be consistent with the biblical world-view.

Peaceful or Violent Exchange?

Now we must examine the three major economic systems that compete for attention: capitalism, socialism and somewhere between, the hybrid known as interventionism or the mixed economy.

One dominant feature of capitalism is economic freedom, the right of people to exchange things voluntarily, free from force, fraud, and theft. Socialism, on the other hand, seeks to replace the freedom of the market with a group of central planners who exercise control over essential market functions. There are degrees of socialism as there are degrees of capitalism in the real world. But basic to any form of socialism is distrust of or contempt for the market process and the desire to replace the freedom of the market with some form of centralized control. Generally speaking, as one moves along the continuum of socialism to capitalism, one finds the following: the more freedom a socialist allows, the closer his position is to interventionism; the more freedom an interventionist allows, the closer his position is to capitalism. The crux is the extent to which human beings will be permitted to exercise their own choices in the economic sphere of life.

I will say nothing more about that deplorable economic system known as interventionism, a hopeless attempt to stop on a slippery slope where no stop is possible. The only way the half-hearted controls of the interventionist can work is if they become the *total* controls of the socialist. Anything less will result in the kind of troubled and self-damaging economy we have had for the past several decades in the United States.

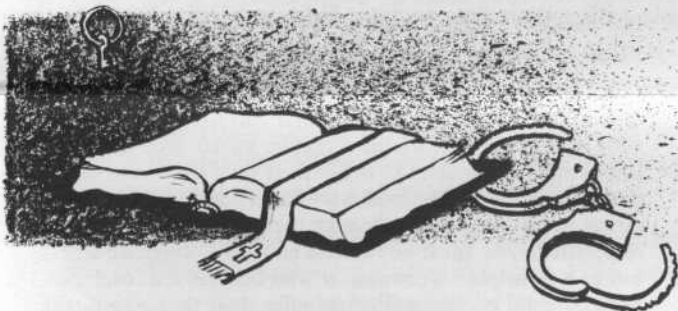
I shall attempt to get a clearer fix on the real essence both of capitalism and socialism and then see which is more compatible with the biblical world-view. The best starting point for this comparison is a distinction made most recently by the American economist, Walter Williams. According to Williams, there are two and only two ways in which something may be exchanged. He called them *the peaceful means of exchange* and *the violent means of exchange*.

The peaceful means of exchange may be summed up in the phrase, "If you do something good for me, then I'll do something good for you." When capitalism is understood correctly, it epitomizes the peaceful means of exchange. The reason people exchange in a real market is because they believe the exchange is good for them. They take advantage of an opportunity to obtain something they want more in exchange for something they desire less. Capitalism then should be understood as a voluntary system of relationships that utilizes the peaceful means of exchange.

But exchange can also take place by means of force and violence. In this violent means of exchange, the basic rule of thumb is: "Unless you do something good for me, I'll do something bad to you." This turns out to be the controlling principle of socialism. Socialism means far more than centralized control of the economic process. It entails the introduction of coercion into economic exchange in order to facilitate the attainment of the goals of the elite who function as the central planners. One of the great ironies of Christian socialism is that its proponents in effect demand that the State get out its

weapons and force people to fulfill the demands of Christian love. Even if we fail to notice any other contrast between capitalism and socialism, we already have a major difference to relate to the biblical ethic. One system stresses voluntary and peaceful exchange while the other depends on coercion and violence.

Some Christian socialists object to the way I have set this up. They profess contempt for the more coercive forms of state-socialism on exhibit in communist countries. They would like us to believe that a more humane, non-coercive kind of socialism is possible. They would like us to believe that there is a form of socialism, not yet tried anywhere on earth, where the central ideas are



cooperation and community and where coercion and dictatorship are precluded. But they provide very little information about the workings of this more utopian kind of socialism, and they ignore the fact that however humane and voluntary their socialism is supposed to become after it has been put into effect, it will take massive amounts of coercion and theft to get things started.

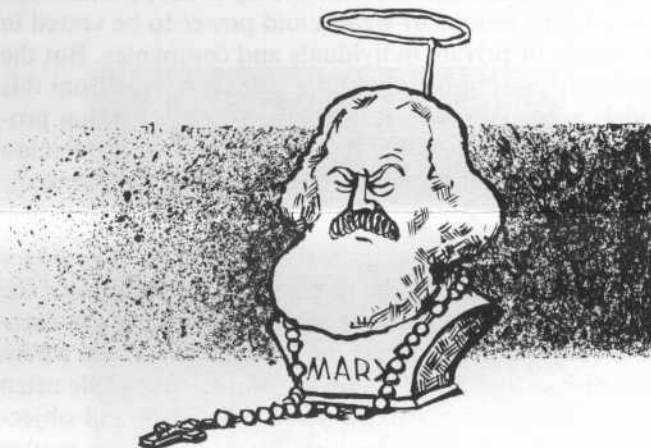
Socialist Falsehoods, Capitalist Facts

To that paradox, add one more: the fact that socialists *need* capitalism in order to survive. Unless socialists make allowance for some free markets which provide the pricing information that alone makes rational economic activity possible, socialist economies would have even more problems than those for which they are already notorious. Consequently, socialism is a gigantic fraud which attacks the market at the same time it is forced to utilize the market process.

But critics of the market try to shift attention away from their own embarrassing problems to claims that capitalism must be abolished or restricted because it is unjust or because it restricts important human freedoms. Capitalism is supposed to be unchristian because it allegedly gives a predominant place to greed and other unchristian values. It is alleged to increase poverty and the misery of the poor while, at the same time, it makes a few rich at the expense of the many. Socialism, on the other hand, is portrayed as the economic system of people who really care for the less fortunate members of society. Socialism is represented as the economics of compassion. Socialism is also recommended on the ground

that it encourages other basic Christian values such as community.

If these claims were true, they would constitute a serious problem for anyone anxious to show that capitalism is compatible with the biblical ethic. But, of course, the claims are not true. People who make such charges have their facts wrong or are aiming at the wrong target. The "capitalism" they accuse of being inhumane is a caricature. The system that in fact produces the consequences they deplore turns out to be not capitalism, but interventionism.



Capitalism is not economic anarchy. It recognizes several necessary conditions for the kinds of voluntary relationships it recommends. One of these presuppositions is the existence of inherent human rights, such as the right to make decisions, the right to be free, the right to hold property, and the right to exchange what one owns for something else. Capitalism also presupposes a system of morality. Capitalism should be thought of as a system of voluntary relationships within a framework of laws which protect people's rights against force, fraud, theft, and violations of contracts. "Thou shalt not steal" and "Thou shalt not lie" are part of the underlying moral constraints of the system. Economic exchanges can hardly be voluntary if one participant is coerced, deceived, defrauded, or robbed.

Allowing for Human Weakness

Once we grant that consistency with the biblical doctrine of sin is a legitimate test of political and economic systems, it is relatively easy to see how well democratic capitalism scores in this regard. The limited government willed to Americans by the Founding Fathers was influenced in large measure by biblical considerations about human sin. If one of the more effective ways of mitigating the effects of human sin in society is dispersing and decentralizing power, the conservative view of government is on the right track. So too is the conservative vision of economics.

The free market is consistent with the biblical view of human nature in another way. It recognizes the weaknesses of human nature and the limitations of human knowledge. No one can possibly know enough to manage

a complex economy. No one should ever be trusted with this power. However, in order for socialism to work, socialism requires a class of omniscient planners to forecast the future, to set prices and to control production. In the free market system, decisions are not made by an omniscient bureaucratic elite but made across the entire economic system by countless economic agents.

At this point, of course, collectivists will raise another set of objections. Capitalism, they will counter, may make it difficult for economic power to be consolidated in the hands of the state; but it only makes it easier for vast concentrations of wealth and power to be vested in the hands of private individuals and companies. But the truth turns out to be something quite different from this widely accepted myth. It is not the free market that produces monopolies; rather it is governmental intervention with the market that creates the conditions that encourage monopoly.

As for another old charge, that capitalism encourages greed, the truth is just the reverse. The mechanism of the market neutralizes greed as selfish individuals are forced to find ways of servicing the needs of those with whom they wish to exchange. As we know, various people often approach economic exchanges with motives and objectives that fall short of the biblical ideal. But no matter how base or selfish a person's motives may be, so long as the rights of the other parties are protected, the greed of the first individual cannot harm them. As long as greedy individuals are prohibited from introducing force, fraud, and theft into the exchange process, their greed must be channeled into the discovery of products or services for which people are willing to exchange their holdings. Every person in a market economy has to be other-directed.

New Religion of the Left

Finally, some examples of the way in which attempts to ground American liberalism and interventionism or Latin American liberationism on the Bible involve serious distortions of the biblical message.

For instance, consider how radical American evangelicals on the Left abuse the biblical notion of justice. The basic idea in the Old Testament notion of justice is righteousness and fairness. But it is essential to the Leftist's cause that he read into biblical pronouncements about justice, contemporary notions of distributive justice. When the Bible says that Noah was a just man, it does not mean that he would have voted the straight Democratic ticket. It means simply that he was a righteous man.

Likewise, many Christians on the Left seek to reinterpret

Jesus' earthly mission in exclusively economic and political terms. In their view, Jesus came primarily to deliver those who were poor and oppressed in a material sense. But every member of the human race is poor in the sense of being spiritually bankrupt. Jesus came to end our spiritual poverty by making available the righteousness that God demands and that only God can provide.

It is heresy to state that God's love for people varies in proportion to their wealth and social class. It is nonsense to suggest that all the poor are good and all the rich are evil.

Once we eliminate the semantic game-playing by which some refer to a non-coercive voluntary utopian type of socialism, it becomes clear that socialism is incompatible with a truly free society. Edmund Opitz has seen this clearly:

As History's vice-regent, the Planner is forced to view men as mass; which is to deny their full stature as persons with rights endowed by the Creator, gifted with free will, possessing the capacity to order their own lives in terms of their convictions. The man who has the authority and the power to put the masses through their paces, and to punish nonconformists, must be ruthless enough to sacrifice a person to a principle...a commissar who believes that each person is a child of God will eventually yield to a commissar whose ideology is consonant with the demands of his job.

And so, Opitz concludes, "Socialism needs a secular religion to sanction its authoritarian politics, and it replaces the traditional moral order by a code which subordinates the individual to the collective." All of this is justified in the cause of improving economic well-being and in the name of compassion.

The Choice I Make

I think I have said enough to allow me, at least, to make a reasoned choice between capitalism and socialism on the basis of each system's compatibility to the biblical world-view. The alternative to free exchange is violence. Capitalism is a mechanism that allows natural human desires to be satisfied in a nonviolent way. Little can be done to prevent human beings from wanting to be rich. But what capitalism does is channel that desire into peaceful means that benefit many besides those who wish to improve their own situation.

Which choice then should I, as a Christian, make in the selection between capitalism and socialism? Capitalism is quite simply the most moral system, the most effective system, and the most equitable system of economic exchange. When capitalism, the system of free economic exchange, is described fairly, there can be no question that it, rather than socialism or interventionism, comes closer to matching the demands of the biblical ethic.



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